Section IV

Housing Market Analysis

Section Highlights

- As a result of a shortage of rental units, rents increased 9.2% between 1997 and 1998, a substantial jump from previous years. The average King County rents in March 1999 reached $709. The escalating rents were driven up by vacancy rates, which have stayed around 3% over the last two years.

- In response to the tight rental housing markets, multi-family housing production increased 15% from 1996 to 1997. Total production of housing units reached nearly 10,000. While this is the highest production rate in the last seven years, it is well below the 1988 production level of 15,370.

- Throughout King County there is almost no non-subsidized market rate housing affordable to a full-time minimum wage worker, earning less than $10,000 a year. A monthly rent of $250 is the maximum affordable to such a worker. King County has very few rentals under $400 per month.

- Purchasing a detached single-family house is increasingly out of reach for King County residents. Only 35% of single-family homes are affordable to those earning below 120% of median income.

- Less than 15% of housing sales were affordable to moderate income households earning less than 80% of median income, based on a 1998 market study in King County.

- The Southend has the least expensive housing, the Eastside has the most expensive, with Seattle and the Northend's housing costs between those two extremes. For example, rents in some Eastside cities are 50% higher than many Southend cities; most home sales in the Southend are clustered around $100,000, while the peak of sales on the Eastside are in the $300,000 range.

A. Major Characteristics and Trends

1. Overview of the Housing Stock

Of the 699,691 total existing housing units in King County as of 1998, 445,780 of them (64 percent) are located in the Consortium (outside the City of Seattle).

Of the units in the Consortium, the majority—63 percent—are single-family homes. However in the cities of Tukwila, Kent, Redmond, Issaquah, and Kirkland, for example, over 50 percent of the housing stock is multi-family. Cities with large numbers of mobile homes include Auburn, Federal Way, SeaTac, and Bothell.

Table 4-1
Consortium Housing Stock by Unit Type

	Total Units in Consortium	Percent
Single-family	280,801	63%
Multi-family	145,159	33%
Mobile homes	19,820	4%
TOTAL	**445,780**	100%

Source: 1998 Annual Growth Report, King County, Washington

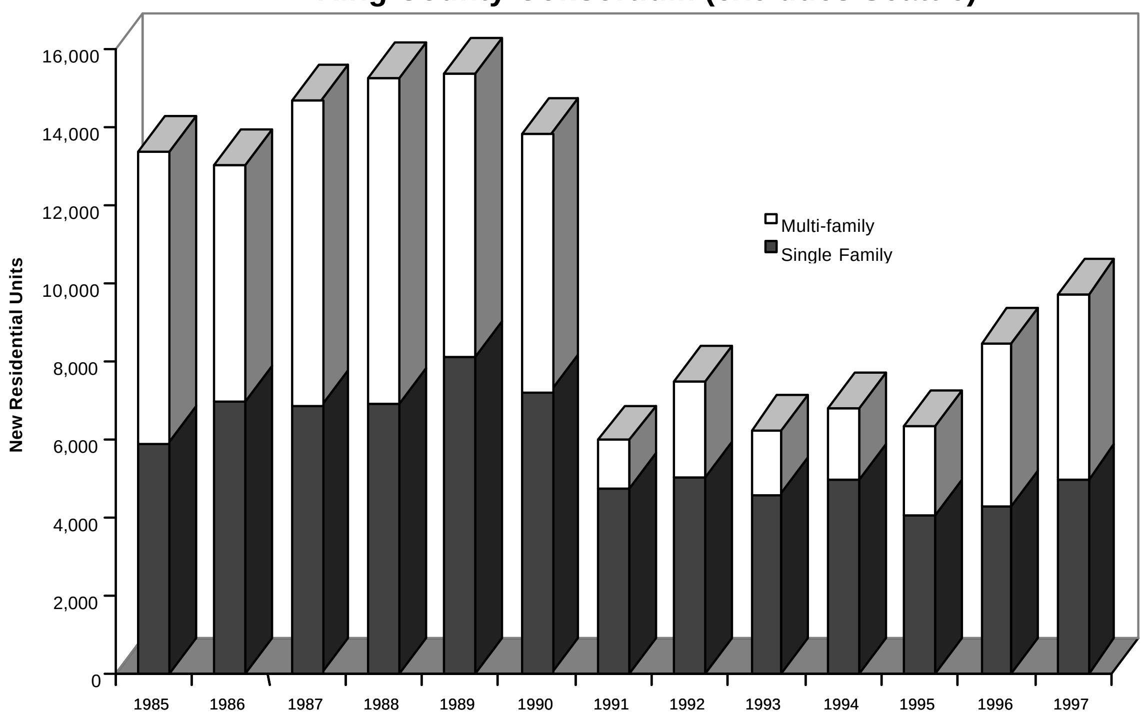
2. Single-family and Multi-family Production Trends

The rate of residential construction has been increasing in King County. While construction is again picking up, production is still running significantly lower than the late 1980s level, and demand is exceeding supply.

In 1997, construction was up 50 percent from the slow years of 1992-1995. Permits for single-family homes have remained fairly consistent year to year in the Consortium and countywide. Multi-family construction (apartments and condominium units) is more volatile and responsive to changes in the regional economy. The Consortium's multi-family production reached nearly 5,000 in 1997, more than double the rate from 1995.

Figure 4-1

New Residential Units Added, 1985-1997
King County Consortium (excludes Seattle)



Source: 1998 King County Annual Growth Report

Most residential growth is occurring in the cities of King County. In 1997, of the 12,331 new residential units permitted, over half were in suburban cities.

Table 4-2
Residential Growth in King County

Area	1997 New Units	Percent
Suburban Cities	6,309	51%
Unincorporated	3,435	28%
Seattle	2,587	21%
King County Total	12,331	100%

Source: 1998 King County Annual Growth Report

In recent years, cities of the Consortium, which have seen the greatest growth are Bellevue, Kent, Redmond, Kirkland, Renton, and Federal Way.

3. Losses to Affordable Housing Stock

Condominium Conversions

Since 1988, some 3,878 rental units have converted to condominiums, and were a loss to the rental housing stock. On the positive side, condominiums provide affordable ownership options for moderate-income households who may not otherwise be able to afford a home. Conversions which have occurred outside Seattle have occurred primarily on the Eastside. Consortium jurisdictions with the highest number of conversions include Bellevue (521), unincorporated King county (379) and Federal Way (296).1

Mobile Home Park Conversions

Older mobile home parks continue to be threatened by redevelopment pressure. Many of these parks are located in prime areas for redevelopment. Residents tend to be low and moderate income and often the homes are older and difficult if not impossible to move, and if they can be moved there are no vacancies in existing parks. During 1998 and 1999 three parks containing nearly 200 homes closed in King County and very few were able to relocate their homes.

Project Based Section 8 Certificates

The majority of project based Section 8 units are privately owned. Of these, a recent analysis of potential loss of units reflects the 27%, or 663 of the 2,459 project based section 8 units were at risk of being lost. Many of these are due to subsidy levels at between 90-100% in a tight market. Non-profit owners presented a much lower risk of loss, as were units subsidized at a higher level.

4. Housing Conditions

Housing conditions improve. Throughout the last decade, overall housing condition in King County has improved. This was, to some degree, assisted by the County housing boom of the 1970s and 1980s which resulted in more than half of existing units in the Consortium being less than 20 years old by 1990.

Many suburban cities and unincorporated areas of the County continue to be high growth rate areas. Improvements in housing condition likely reflect this increase in the total supply of housing as well as private investment and local housing rehabilitation programs for lower- income households.

For the purpose of evaluating the condition of the Consortium's housing stock, the following definitions apply:

> **Standard Condition.** Providing safe and adequate housing. Well maintained, structurally sound without visible deterioration or observable defects.
>
> **Substandard Condition but Suitable for Rehabilitation.** Does not provide apparently adequate housing. Having one or more major defects contributing to structural unsoundness and/or lacking in ade-

quate weather protection. Requiring replacement of materials and/or repair beyond ordinary maintenance.

Substandard Condition but Unsuitable for Rehabilitation. Does not provide safe and adequate shelter. Having several critical deficiencies, particularly in structural components, to the extent that correction would require very substantial overhaul and rebuilding. Likelihood exists that rehabilitation would be unfeasible.

Severely Distressed Public Housing. The U.S. Department of Housing and Urban Development (HUD) has created a definition of severely distressed public housing for the purpose of identifying public housing projects from across the nation that would benefit from an infusion of funds and services to redevelop the housing, and provide better opportunities for its residents. According to HUD, a severely distressed project is one that:

- *Requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems, and other deficiencies in the physical plant of the project (such as inadequately sized units);*
- *Is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;*
- *Is occupied predominantly by families who are very low-income families with children, are unemployed, and dependent on various forms of public assistance; or has high rates of vandalism and criminal activity (including drug related criminal activity) in comparison to other housing in the area;*

The elements of the above definition of severely distressed public housing were developed out of studies with households living in densely populated public housing projects, who identified many of these elements as the reason why they would like to move out of their public housing. Research projects have been conducted since the 1970's on the topic of how new neighborhood environments, increased housing choices and socioeconomic integration can affect very low-income households from areas of concentrated poverty. Positive research results for households who moved to low-poverty areas and mixed-income housing projects led to federal legislation in 1992, which created the HOPE VI grant program. The program provides a flexible source of financial support for investments in public housing developments and their residents.

The revitalization of severely distressed public housing in King County is an urgent need that should be addressed comprehensively by the public housing authority, the public housing residents, the surrounding community, the County and the Consortium. HOPE VI funding should be pursued for public housing that is identified as severely distressed in order to leverage investment for the revitalization of the distressed project and the surrounding community.

Home repair needs. Information on housing conditions in King County[1] suggests that 5.9 percent of the rental stock and 8.7 per cent of the owner stock are inadequate and require major home repair. This affects about 24,000 households. Over half, or 12,803, are households at or below 80% of median income and of these, about three out of four are homeowners.

During 1998, King County Housing Repair program staff inspected over 400 single family residences throughout King County, exclusive of Seattle. Of those homes inspected, approximately 75% were over 20 years old and approximately 90% of those are in "substandard condition but suitable for rehabilitation", whereas about 1 to 3% of those homes inspected fall into the category "Substandard Condition but Unsuitable for Rehabilitation".

5. Housing Tenure

In 1990 homeowners made up sixty-eight percent of the occupied housing stock. This includes single-family housing and condominiums. Since 1990, single-family homes have made up 62% of the additional housing stock in the Consortium.

The rural subregions of the County have the highest percentage of owner households and the South Urban region has the highest percentage of renters compared to other areas of the Consortium. Not surprisingly, the majority of low-income households in the Consortium rent their homes rather than own them. Of the 58,254 total households with incomes below 50% of median income in 1990, 35,890 or 62% of these households are renters.

6. Rental Housing

Rent level increases. Annual rent changes, while increasing over the last four years, shot up by 9.2% from 1997 to 1998. This 9.2 increase nearly equals the combined percentage change over the previous three years. The following table shows the increasing percentage change in the average rent from 1994.

2 King County Consortium Housing Conditions Survey, King County, June 1982. (Figures adjusted by King County PCDD).

Table 4-3
Annual Rent Increases

	1994-1995	1995-1996	1996-1997	1997-1998	Spring to Fall 1999 Forecast
Annual Change	1.7%	3.2%	4.8%	9.2%	3.3%

Source: Dupre + Scott, Vacancy Report, Spring, 1999 Survey of 20+ unit buildings

Vacancy Rates. Rental vacancy rates are influenced by the availability of housing stock, and measure the capacity to accommodate household demand. Lower rates indicate that there are fewer units available. The extremely low vacancy rate in King County suggests demand for new units and upward pressure on rents. The fact that vacancy rates have increased over the last year is most likely a reflection that renters are doubling up because of unavailability of units, and/or in response to higher rents.

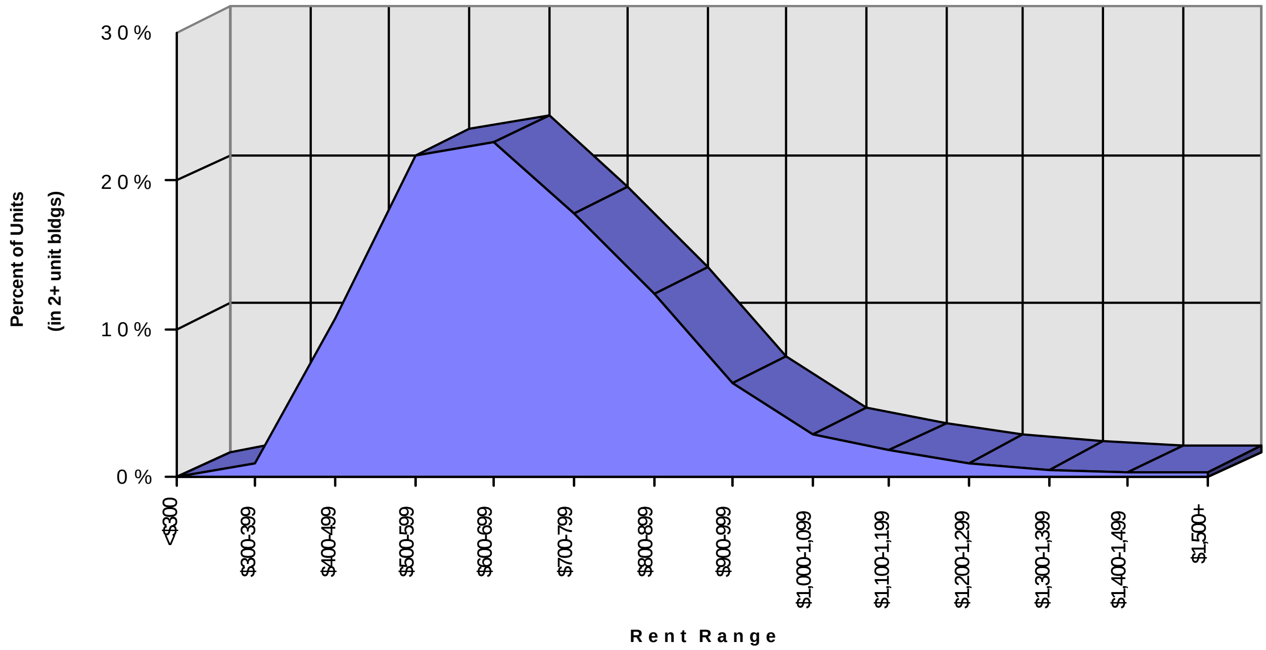
A vacancy rate of 5% is generally regarded as a normal market rate. According to the Dupre + Scott Apartment Vacancy Report, Spring, 1999, the overall vacancy rate in King County stood at 3.9%. While this has climbed somewhat from a year ago, when it was 3.1%, the rate still remains quite low. King County's overall vacancy rate has been below 5% since the spring of 1996. While most areas of the County hovered around the 3.9%, the range included North King County with a rate of 2.3%, and Southeast area of the County with a 4.8% vacancy rate.

Rent levels. Median rents, for buildings with 20 or more units, rose to $674 in 1998, an increase of over 13% from 1996. The median rent for buildings with two or more units reached $669.

The chart below shows that there are only a few units (less than 1% of the total) in all of King County which rent below $400 a month. One-third of the rentals in two or more unit buildings rent for between $400 and $599, and nearly 75% rent below $800.

South King County clearly has the least expensive rental market. South and southeast King County are the only regions with rents affordable to extremely low income households. The Eastside is the region most lacking in rents under $600.

Figure 4-2
King County's 1998 Rents



This information is not a 100% count of the rental units in King County. It is based on a survey of approximately 45% of the County's multi-family housing stock. According to the King County Assessor's Office, there were 232,635 multi-family units in King County in 1997.

7. Home Ownership

Home Sale Prices. The pace of price increases for median home sale accelerated in 1997. Prices increased by an average of $10,500, or 6%. This compares to an average increase of 4% over the previous two years as shown on the table below:

Table 4-4
Median Home Prices

Year	Median Home Price (excludes new construction)	Annual Increase In Dollars	Annual Increase Percent
1994	$160,800		
1995	$167,650	$6,850	4%
1996	$174,300	$6,650	4%
1997	$184,800	$10,500	6%

Source: King County Benchmark Report, 1998

South King County also has the least expensive ownership market. Again, South and Southeast King County are the only regions with ownership sales affordable to extremely low income households. The North and Eastside has the most expensive ownership housing.[2]

Condominium Sales. Condominiums represented 20 percent of all the for-sale housing analyzed by Dupre + Scott. The average condominium sale price was $125,000—35 percent below the average single-family home price. Over 75 percent of condos are priced below $180,000. Sixty percent of all condominiums are affordable to those earning 100 percent of median income or less, compared to only 19 percent of all single-family home sales.

B. Housing Affordability in King County

1. Definition of Housing Affordability

Housing affordability is measured by the proportion of household income required for rent or home purchase. Federal guidelines use 30 percent of gross income for housing costs (rent and utilities) as the threshold of affordability. When a household pays more than that, it is at risk of having insufficient money left over each month to cover other basic needs, such as food, clothing, childcare, and health care.

The table below calculates the affordable monthly housing payment for various household sizes in differ ent income groups.

Table 4-5
Affordable Rental Payments Based on Income and Household Size

Household Size	Income of 30% Area Median		Income of 50% of Median		Income of 80% of Median	
	Annual Income	Affordable Monthly Pmt	Annual Income	Affordable Monthly Pmt	Annual Income	Affordable Monthly Pmt
1	$13.150	**$329**	$21,900	**$548**	$35,050	**$876**
2	$15,000	**$375**	$25,050	**$626**	$40,100	**$1,003**
3	$16,900	**$423**	$28,150	**$704**	$45,050	**$1,126**
4	$18,800	**$470**	$31,300	**$783**	$50,100	**$1,253**
5	$20,300	**$508**	$33,800	**$845**	$54,100	**$1,353**

Source: Income figures for King County are provided by the U.S. Department of Housing and Urban Development, 1999. Affordable monthly payment is calculated by taking 30 percent of that household's monthly income.

[2] King County Market Rate Housing Affordability Study

2. The Rental Affordability Gap

Consortium residents experiencing the most difficulty affording rental housing are those whose incomes are at 50 percent of the median and below. While higher income households can pay a higher percentage of their income for housing and still get by, this is not the case for people with low incomes. When they pay more than 30 percent of their income for housing, they do not have enough left over to cover other basic needs such as food, clothing, child care, and health care. A few examples of the affordability gap are presented below.

For a One-person Household on a Fixed Income

Thousands of low-income residents of the Consortium—particularly seniors, people with disabilities, veterans, and extremely low-income families—rely on fixed incomes. However, the income level provided by the various federal and state income assistance programs has benefit levels so low that, typically, **the monthly benefit does not even cover the cost of housing alone.**

Below is an example of a single person with a developmental disability who receives the average SSI income of $527 per month. Let's see what her affordable housing payment looks like compared to the average cost of a studio apartment in King County:

Table 4-6
Affordable Housing Payment for Individual With a Disability (Receiving Supplemental Security Income)

Monthly SSI Income	Affordable Monthly Housing Payment	Average Cost of a Studio Apartment	Monthly Shortfall	Housing as % of Income
$522	$157	$553	($396)	106%

Clearly, this individual cannot afford housing unless a deep subsidy is provided to make up the difference between the $157 he or she can pay each month, and the $553 rent. Typically, **households receive public income assistance have incomes that are about 16 to 17 percent of the median** income.

For a Three-Person Household at Various Income Levels

The table below illustrates how a three-person household cannot afford the typical two-bedroom apartment if its income is below 50 percent of median.

Table 4-7
Affordable Rental Payments Compared to Market

Income Range	Annual Income	Affordable monthly rent payment	Average 2 BR/1 bath	(Shortfall) or Surplus	Housing Cost as Percent of Income
Public Assistance 17% of median	$9,571	$239	$732	($493)	92%
Extremely low income 30% of median	$16,900	$423	$732	($309)	52%
Low income 50% of median	$28,150	$704	$732	($28)	31%
Moderate income 80% of median	$45,050	$1,126	$732	$394	19.5%

Source: Income figures from HUD Annual Income Figures, 1999; rent figures from Dupre + Scott Spring 1999 Apartment Vacancy Report.

Single-family Rentals. Only 3.5% of single-family rental units (rental houses) are affordable to those with incomes below 50% of the median ($20,700 - $29,500). The median rent for a single-family house is $1,125. A household would need to earn at least $45,000 to afford this rent. 45% of all single-family rentals cost between $900 and $1,300 to rent. Only 5.5% of single-family home sales are affordable to those with incomes below 80% of the median, and only 19% are affordable to those with incomes below 100% of the median.

10 Year Rental Affordability Trends. King County's rents are approximately as affordable in 1998 as in 1988. In 1988, 97% of the rentals were affordable to households at or below moderate income (80% of median) and 40% were affordable to low income households (50% of median) or below. That compares to 94% and 37%, respectively, 10 years later. Although not a large change, fewer rentals are affordable to the same income groups today compared to 1988. Please note that the average renter income is typically about 80% of the overall median.

3. The Home Ownership Affordability Gap

Homeownership rates are declining in the Puget Sound region, primarily due to decreasing affordability. Declines in ownership have been concentrated among specific groups, including married couples with young children and single heads of households. Nationally, the home ownership goal is 67 percent. In 1995, the ownership rate for the Seattle Metropolitan Area, which includes King and Snohomish counties, is 61% (1998 King County Annual Growth Report).

Affordability is based on: 25% of income for principal and interest; 20% downpayment; 30 year term at prevailing market interest rates. Interest rates are calculated by blending adjustable rate mortgages and fixed rate mortgages. The monthly affordable payment assumes 25% of monthly median income. The affordable home price is determined using a present value formula based on interest rate, affordable monthly payment and term.

The Home Purchase Affordability Gap

In 1998, the median cost of a single-family home in King County stood at $215,000. However, a household with an income of $47,266 could only afford a home priced at about $187,500. The average price of a single family home was $260,000, making these homes $30,000 - $75,000 more expensive than these households can afford. The chart below demonstrates how a household at median income faces a significant and growing affordability gap:

Table 4-8
Home Purchase Affordability Gap

Year	Median Household Income	Median Household Affordable Home Price [1]	Actual Median Single Family Home Price [2]	Median Household Affordability Gap	Average Single Family Home Price [3]	Average Household Affordability Gap
1995	$ 43,071	$ 162,000	$ 167,650	$ (5,650)	$ 184,247	$ (22,247)
1996	44,344	154,900	174,300	(19,400)	197,352	(45,452)
1997	45,266	167,000	184,800	(17,800)	213,882	(46,882)
1998	47,266	187,500	215,000	(27,500)	260,838	(74,338)

1 This is the amount a household at median income can afford to spend on buying a home at 20% down, current interest rate for the year stated (in 1998 it was 7%), and payments of 25% of income, excluding tax, insurance, utilities, etc.
2 The median home price is the price at which 50% of the homes sell for more and 50% of the homes sell for less
3 The total value of all homes sold (in $) divided by the number of homes sold.
Source: 1998 King County Annual Growth Report, and 1999 Draft information for Annual Growth report

C. Housing Affordability by Subregion

1. Overview

Individual jurisdictions can influence the type and location of new housing through zoning, but they have much less control over the cost and quantity of that housing. Market and other factors play a great role. A regional analysis helps to reveal the general market factors at work in housing affordability.

The South and Southeast regions of the County have the least expensive housing. In both Seattle and the Shoreline area, housing affordability is comparable to the County's overall affordability. The Eastside has the most expensive housing.

If one examines the regional charts in this section, one will note that very few cities defy the general affordability of their region. An exception is Normandy Park. Normandy Park is located in South King County, the most affordable region, but its ownership housing sales were much higher priced than most in that region. There are a few other exceptions: rental housing in Lake Forest Park and ownership housing in Snoqualmie and Skykomish are priced lower than typical for their respective regions.

The jurisdictions in each of the Dupre+ Scott subregions [3] are listed below:

Southeast King County Region

Algona	Auburn	Black Diamond	Covington
Des Moines (part)	Enumclaw	Federal Way	Maple Valley
Milton	Pacific	Renton	SeaTac (part)
Tukwila (part)	Unincorporated King County		

South King County Region

Burien	Des Moines (part)	Kent
Normandy Park	SeaTac (part)	Tukwila (part)
Unincorporated King County		

Shoreline Area of King County

Kenmore (part)	Shoreline	Lake Forest Park
Unincorporated King County		

Eastside Area of King County

Beaux Arts	Bellevue	Bothell	Carnation
Clyde Hill	Duvall	Hunts Point	Issaquah
Kenmore (part)	Kirkland	Medina	Mercer Island
Newcastle	North Bend	Redmond	Snoqualmie
Woodinville	Skykomish	Yarrow Point	
Unincorporated King County			

[3] The Dupre + Scott market regions are based on rental market census tract data collected for the vacancy report since the 1980s. Characteristics of rental properties vary between the South and Southeast region with Southeast containing larger multifamily complexes

2. Rental Information

Table 4-9
Rental Affordability by Region

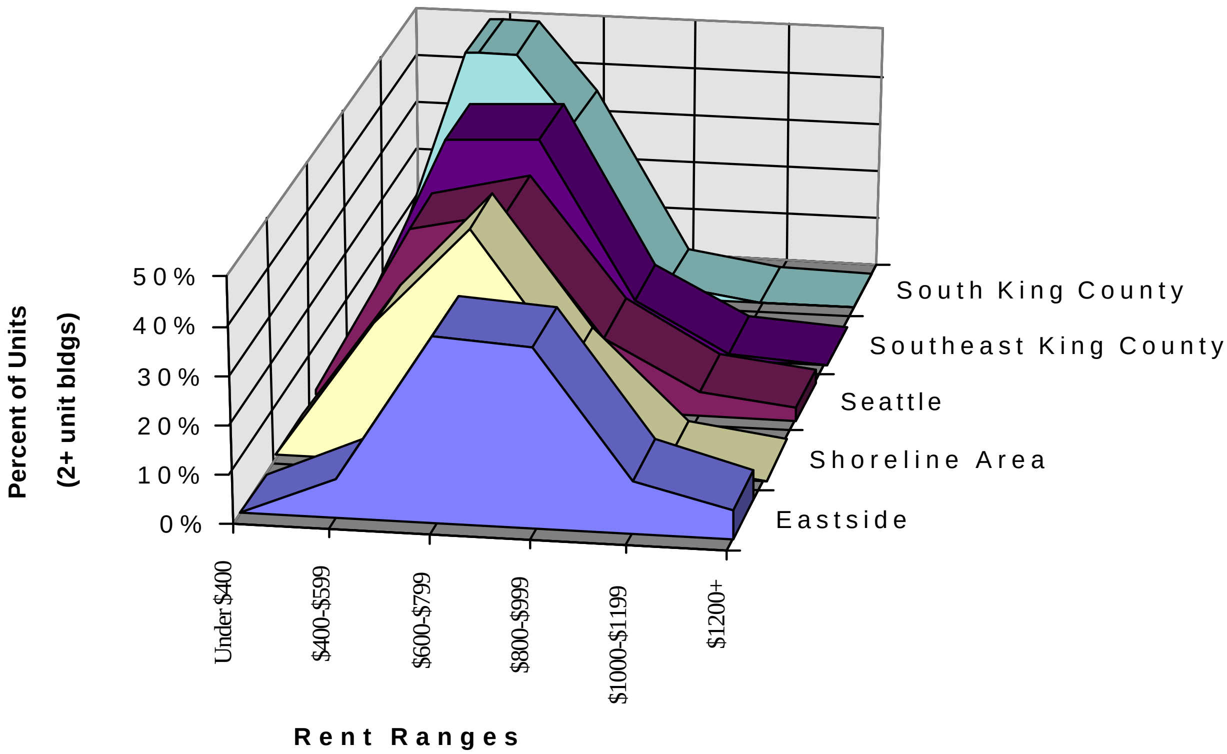
Region	1998 Median Rent[1] (2+ unit apt bldg.)	Difference from King County Median
South	$566	- $103
Southeast	$616	- $53
Seattle	$650	- $19
Shoreline Area	$660	- $9
Eastside	$810	+ $141

1. Median rent irrespective of region for a 2-19 unit apartment building is $669 (1 bedroom, 1 bath)

South King County clearly has the least expensive rental market. South and Southeast King County are the only regions with rents affordable to extremely low-income households. However, only .5% of the rents in those two regions combined are affordable to extremely low-income households.

The following chart illustrates the very different market conditions found in different regions of the County. Rent levels cluster at around $600 in South King County. There is a less dramatic peak of rents in all other areas where rent levels are higher. Rents on the Eastside peak at the $800 to $900 level. Few rental units are even available in South King County at this rate.

Figure 4-3
Percent of Rental Units at each Price Range by Region

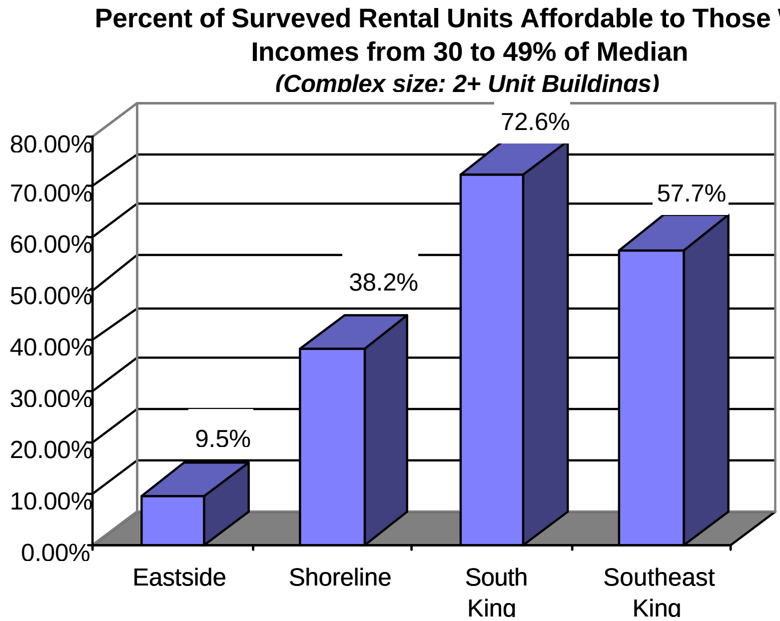


Rental Affordability By Income Categories And By Sub-Region. One way to illustrate the severe differences in affordability between sub-region is to look at how affordable rents are different for different income groups. In general, households with incomes less than 60% of the median income are going to have an extremely difficult time finding affordable rental housing in the Consortium without some form of housing assistance. Can households afford rents in the Consortium? If a household's income is:

Income of 0 to 30% of median. If a household's income is in this group, it is probably not going to find any market rental housing that it can comfortably afford (that is, not pay more than 30% of its income in order to live there than one Recent data analysis conducted by Dupre + Scott on the affordability of various types of housing in King County finds that, based on the units they surveyed, ***a slim one percent of the housing stock rents for under $400 per month.*** According to HUD income guidelines for King County, units renting at above $375 exceed the 30% of median income guideline unless your household size is one or two persons.

Income of 31 to 50% of median. If household income is in this group, the household *may* be able to find affordable housing in South County, but probably not on the Eastside. In the tight housing market, households will be competing with all other renters for these units.

Figure 4-4



Source: Dupre + Scott 1998 data analysis for King County. Number of units surveyed: Eastside = 27,500; Shoreline = 2,156; South King = 8,705; Southeast King = 33,644.

Income of 51 to 80% of median. If a household's income falls into this group—especially those with incomes above 60% of median—large portions of the rental market are affordable.

Rent Levels And Vacancy Rates For Individual Cities. Rents increased in East and South County over the last several years at a similar rate, with Eastside rents rising at a rate slightly higher than the King County average. (Thirteen percent over the last three years.) Rents in South County rose at a slightly slower rate.

The substantial differences in sub-regional rent levels become acutely clear when differences in city rent levels are displayed. The following table shows rents for cities in 1998. Rents average less than $650 in Maple Valley ($562), SeaTac ($567), Burien ($601), Riverton/Tukwila ($608), Des Moines ($610), Auburn ($615), and Enumclaw ($644). At the other end of the spectrum rents were 50% or more higher in two cities—Issaquah ($1,048) and Kirkland ($1,062).

Table 4-10
Spring 1999 Rental Market – Average Rents and Vacancy Rates

	Area	Average Rent (all units)	Market Vacancy
All	All King County	$747	3.9%
North	Shoreline	$711	3.6%
Eastside	Bellevue - East	$803	3.5%
	Bellevue - West	$1,016	4.3%
	Bothell	$786	4.1%
	Factoria	$896	4.0%
	Issaquah	$1,067	4.0%
	Juanita	$873	2.9%
	Kirkland	$1,102	6.5%
	Mercer Island	$963	4.6%
	Redmond	$965	4.3%
	Woodinville/Totem Lake	$836	3.6%
South	Airport (SeaTac)	$582	3.8%
	Burien	$604	3.6%
	Riverton/Tukwila	$617	4.0%
	White Center	$664	5.1%
Southeast	Auburn	$609	3.6%
	Des Moines	$620	4.6%
	Enumclaw	$634	6.8%
	Federal Way	$657	4.5%
	Kent	$666	5.3%
	Renton	$718	5.7%
	Maple Valley	$558	1.9%

Source: Dupre + Scott Apartment Vacancy Report, Spring 1999; survey of 20+ unit buildings.

3. Home Ownership

As with rents during 1998, the disparity in home ownership affordability between the Eastside of King County and South County is significant. Median home prices are nearly twice as high on the Eastside ($263,100) compared to South King County ($139,950). In South King County, half of the households earning below 120% of the median income can afford to purchase a house. On the Eastside, less than 2% of these households can afford to purchase.

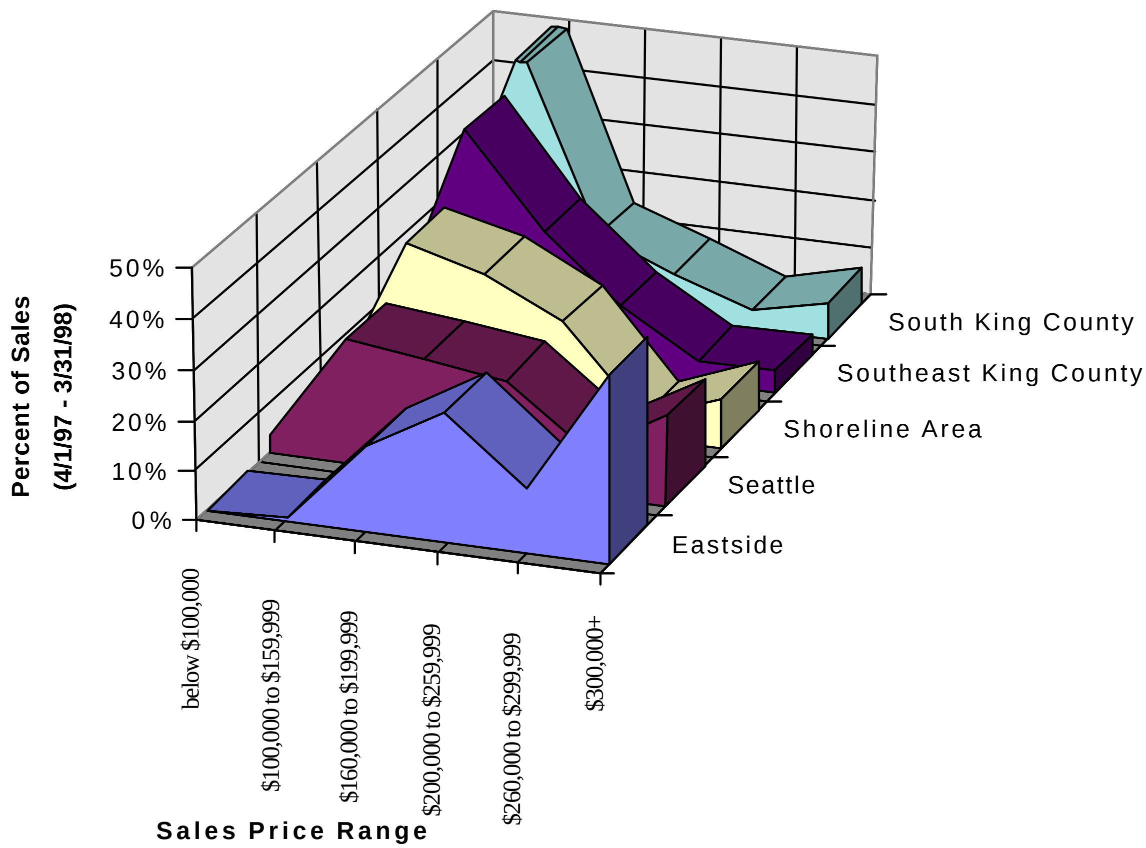
As the table below shows, in King County as a whole, very few single family homes—only about 5.5. of recent sales—are affordable to households earning less than 80 percent of the median income. Only 35 percent are affordable to those with incomes below 120 percent of the median. The more affordable homes are in Southeast King County, with a median price of just under $160,000.

Table 4-11
Single-family Homes: Period: 4-1-97 to 3-31-98
% of Sales Falling into Household Income Segments, by Area

Area	30 to 49%	50 to 79%	80 to 99%	100 to 119%	120%+	Median Price
King County	0.4%	5.1%	13.2%	16.6%	64.7%	$195,000
Cumulative		*5.5%*	*18.7%*	*35.3%*	*100%*	
Eastside	0.1%	0.3%	1.6%	7.3%	90.8%	$263,100
Cumulative		*0.4%*	*1.9%*	*9.2%*	*100%*	
South County	1.3%	18.3%	30.5%	18.1%	31.8%	$139,950
Cumulative		*19.6%*	*50.1%*	*68.2%*	*100%*	
SE King County	0.4%	7.5%	23.6%	25.8%	42.7%	$159,950
Cumulative		*7.9%*	*31.5%*	*57.3%*	*100%*	
Seattle	0.5%	5.6%	11.2%	16.6%	66.1%	$196,003
Cumulative		*6.1%*	*17.3%*	*33.9%*	*100%*	

Source: Dupre + Scott analysis for King County, 1998

The following chart shows the gulf in home sale prices between the Eastside and the South and Southeastern sub-regions. In the southern areas of the county, home sale prices peak around the $100,000 range and they gradually slope down toward the higher-priced houses. On the Eastside the opposite is the case. Home sale prices begin gradually at over $100,000 and the highest number of sales are in the over- $300,000 category.



Single-family Rentals in the Regions

As is the case with multi-family units, the most affordable single-family rental homes are located in South Seattle or South King County. Nearly 60% of single-family rental homes in Southeast King County and Seattle rent for $1,100 or less, compared to only 24% on the Eastside. The median rental rate on the Eastside is $1,295. A household needs an income of $51,800 to afford this rent. Seattle rental homes average $995. Smaller house size and older building age contribute to this lower average in Seattle.